

C. DUKES SCOTT
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900
Columbia, SC 29201



DAN F. ARNETT
CHIEF OF STAFF

Phone: (803) 737-0800
Fax: (803) 737-0801

sreibol@regstaff.sc.gov

*Shealy Boland Reibold
Counsel for ORS*

November 16, 2010

VIA EFILING

Jocelyn Boyd, Esquire
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

IN RE: Joint Application of Birch Communications, Inc., Birch Telecom of the South, Inc. d/b/a Birch Communications, and American Fiber Network, Inc. for Approval to Transfer Assets
Docket No. 2010-325-C, 1999-323-C, 2000-265-C and 2001-21-C

Dear Ms. Boyd:

On September 20, 2010, Birch Communications, Inc. ("Birch Communications"), Birch Telecom of the South, Inc. d/b/a Birch Communications ("Birch Telecom") (collectively, "the Company"), and American Fiber Network, Inc. ("AFN") applied for approval of the transfer of AFN's assets and customer base to the Company. The Office of Regulatory Staff ("ORS") reviewed the joint application and had no objections to the transfer with the exception of certain conditions set forth in the proposed order on which ORS collaborated with the Company.

On November 10, 2010, the Commission issued a directive as its order approving the transfer but leaving out a key provision of ORS's agreement to the terms of the transfer. Specifically, ORS included language in the proposed order that AFN not be allowed to cancel its certificate until it had fulfilled all obligations to both the State Universal Service Fund (SC USF) and Gross Receipts fund. As the assessments for these funds come a year after the service was rendered, companies who transfer their customer base often refuse to pay for their prior year's obligation to these funds. ORS requested AFN's certificate not be canceled until all obligations were satisfied because it is difficult to pursue obligations from companies who no longer have certificates with the Commission. As a result, ORS, in its position as administrator of the SC USF, requested additional language addressing such obligations be included in the proposed order.

As these terms were not included in the Commission's order, ORS requests the Commission reconsider its directive issued as an order or the proposed order offered by the parties. Without language requiring AFN to satisfy its obligations to South Carolina before its certificate is canceled,

ORS can no longer support the transfer. Furthermore, ORS requests expedited consideration of its request since AFN and Birch have a closing on this transaction scheduled for December 1, 2010. ORS has discussed this matter with the Company, and the Company is in agreement with ORS's request for reconsideration.

Thank you for your assistance in this matter. If further information is needed, please do not hesitate to let me know.

Sincerely,

A handwritten signature in cursive script that reads "Shealy Boland Reibold".

Shealy Boland Reibold

cc: Bonnie Shealy, Esquire